The ‘Smart Growth’ Paradigm and the European Urban System

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0. An EU Urban Agenda

Why do we need an EU urban agenda?

What should an EU urban agenda be?

How can an EU urban agenda be implemented?

The Issues paper proposed as a background to the debate lists three questions that we are expected to discuss in this session – and in the other two parallel sessions:

- Why do we need an EU urban agenda?
- What should an EU urban agenda be?
- How can an EU urban agenda be implemented?

From the perspective of the ‘smart growth paradigm’ as outlined in the Europe 2020 Report – hence focusing implicitly on the ‘economic dimension’ to set the scene – I will propose clear-cut answers to each of these three questions as a way to stir the discussion.
We need an EU urban agenda because we have to face an ‘European urban question’ – which has consolidated in the past 20 years, and now promises to worsen significantly.

The ‘European urban question’ can be summarised in terms of two fundamental dimensions and processes:

a) there are large and growing disparities among European cities: not only in terms of current performances but also – and notably, as I shall stress later – in terms of ‘development potential’;

b) there are large and growing disparities within cities: not only in terms of per capita income but also in terms of access to public and collective goods (spatial welfare) and in terms of distribution of negative and positive externalities.

The first step towards an EU urban agenda is the acknowledgment of the ‘European urban question’.
At the roots of the ‘European urban question’ there are at least 3 key factors, widely and rightly discussed in their political significance and/or macro-economic implications but not so much in terms of their impact on the economic and social state of cities:

a) the reshaping of the state-market relationships;
b) the internationalisation of the European economy and society;
c) Increased European Cities’ Political Sovereignty.

These factors have profoundly and very differently impacted on European cities, generating a constellation of economic and social disequilibria. Yet, we may say that they have just begun to unfold their long-term ‘disruptive’ effects. Hence, we may safely affirm that the ‘European urban question’ will continue to stay with us for a long time.

Urban threats/challenges

De-industrialisation and unemployment;
spatial polarisation; increasing poverty;
spatial segmentation; income disparities;
social segregation; …
The ‘European urban question’ emerged and consolidated in the past two decades. Its appearance was ‘perceived’: there have been ‘reactions’, ‘responses’, ‘policy actions’ on the part of policy makers or policy actors at all tiers of government (and governance).

It is exceptionally important to stress this point. Moving towards an EU urban agenda it would be without significance not to turn back in order to acknowledge and to assess the kind of interpretations of the ‘urban crises’ that have been put forward and the policies that have been designed and implemented.

To simplify we can reflect on what happened at following three key policy levels: European Union, Member States and cities.
The European Union has developed a comprehensive discourse on cities in the past two decades. It is useless to signal that in the ‘Europe 2020 Strategy’ cities are not given a role. Starting from the European Commission’s Communication ‘Towards an Urban Agenda for the European Union’ (1997) an articulated discourse on cities has developed in the past years. I indicated in the figure only some of the episodes that have marked the construction of an encompassing ‘EU perspective’ on the ‘urban question’. In order to move towards an EU urban agenda we should not start from the ‘Europe 2020 Strategy’ but rather from all the documents, communications, declarations the European Union has devoted to the ‘European model of city’ and the ‘European model of territory’.

On meeting today we should be aware of the ‘European Union perspective’ on city. It would be useless to arrange an EU urban agenda in terms of ‘principles’ and ‘concepts’. I do not see what the EU can say in addition to what it has already said on this issue. The real question to address is: which ‘reactions’ to the early stages of the urban crises one finds at national and local level?
I put forward a clear-cut thesis, which is at the centre of my presentation: we should not look at the shortcomings of the European Union with regards to the ‘European urban question’, but rather to the shortcomings that have characterised the national and local (cities) levels of the policy-making process. National governments and cities have reacted very differently to the challenges posed by the urban question and to the more specific challenge of incorporating the EU perspective on cities in their urban and regional policies.

The European discourse on city was *de facto* an invitation – may be not strong enough — to develop ‘national urban agendas’ in the European Union. And we range from countries that have developed ‘smart urban agendas’ to countries that do not have even tried to put the ‘urban question’ on their policy agenda.

The same dichotomy can be observed with regards to cities – actors that have greatly increased their ‘strategic potential’. Some have articulated a ‘smart agenda’ (an effective development strategy), others have outlined incoherent and irrelevant policy measures, others simply nothing.

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<th>National strategies and responses</th>
<th>Highly different</th>
<th>Consistent national urban agenda</th>
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<td>No national urban agenda</td>
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<th>Single cities' strategies and responses</th>
<th>Highly different</th>
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A comparison among 'national urban agendas' of the EU Member States is an exercise that should be conducted straightaway. Let us give a glance to the figure above: just a glance to detect the density – if not the nature – of the episodes that marked the construction of the urban agenda in Germany – one of the countries in Europe that has devoted more attention to the urban question. And for reasons of space constraint I put in the figure only the most important episodes. If I had made the same exercise for Italy – my country – the result would have been almost a blank page!

There is a crucial question to address here: why do we observe such a disparity of reactions among European countries notwithstanding the articulated and coherent – and fascinating – vision developed but the European Union on the ‘city of tomorrow’?
The title of this session is ‘The urban dimension of ‘smart growth’’ – understood as defined in the ‘Europe 2020 Strategy’, where ‘smart growth’ is proposed as one of the three pillars of the overall strategy (together with ‘green growth’ and ‘inclusive growth’).

The dimensions A, B and C summarize what we may call ‘smart growth’ paradigm. A system – be it a nation, a region or a city – possesses a ‘smart structure’ if it is characterised by these three dimensions.

An economic growth trajectory is ‘smart’ if it implies a transformation/up-grading of the economic base and a transformation/up-grading of the ‘regulation mode’ of the city economy (which should become ‘innovation oriented’ and ‘intelligent – that is, able to react to external shocks).
The ‘smart growth’ paradigm is about structural change: moving from ‘current structures’ to ‘smart structures’. Three parallel sessions going on right now are addressing the question of change, respectively in the economic, ecological and social dimension of city. From a policy perspective the key question is how to support structural changes that have to be designed and accomplished at local level.

From the ‘smart growth’ perspective the question is about changing the ‘economic base’ of European cities: up-grading it to meet the new competitive context, to find a place in the regional, national, European and global ‘spatial division of labour’.

As to this question we should stress the vagueness of the discussion. There are many ‘economic models of city’ in Europe, there are very different ‘transitions’ or ‘structural transformations’ to consider, to explore in their feasibility and desirability.

The complexity of the economic changes that we are asking our cities to undergo is not well understood and very often not even discussed in their pre-requisites and implications.
Whatever shortcomings the ‘smart growth’ paradigm may show, it has the merit of having shifted the focus from ‘current economic performances’ to ‘potential economic performances’, and particularly to the necessary structural up-grading of the economic base – be it the economic base of a nation, a region, a city.

We may go a step forward saying that the ‘smart growth’ paradigm de facto implies a shift of the focus on the ‘development potential’ of a territorial unit – in our case of (European) cities.

There is a long-established tradition with regards to measuring the current performances of a territorial unit. But in a phase of profound economic and social changes a possibly more important question is the ‘capacity to change’ of a given system. That is, whether a city observed ‘now’ has or not a sufficient ‘development potential’: the capability to transform its economic base so that it can maintain or improve its performances.

The ‘smart growth’ paradigm suggests a new empirical research agenda: to assess the development potential of European cities.
The key question that clearly emerges by observing the evolution of the European urban system in the past two decades is the astonishing difference in the adjustment capacity of European cities. To explain the heterogeneity of European cities in this respect is to be considered a stepping stone towards an EU urban agenda.

Five dimensions (among others) – see figure on the left – should be taken into consideration to explain why we have observed (and will observe) such a large difference among European cities in terms of ‘development potentials’.

The European discourse on the urban question should be completed with a more precise assessment of the current state of European cities on a comparative basis. The EU has moved only the first steps in this direction. Other steps have been made at national and local level. This is a project that should be completed.

But the key question is that we are still far away from a reasonable understanding of the ‘development potential’ of European cities and, hence, of their future development trajectories. And this is a type of knowledge we need to construct an EU urban agenda.

3. THE ‘SMART GROWTH’ PARADIGM AND THE CITY

Explaining cities’ economic development potential
From the perspective of the ‘Europe 2020 Strategy’ – and pointing to the contribution of cities to economic growth – the key issue is the ‘structural transformation’ of the economic base of European cities – in order to deliver the per-capita level of welfare (private, collective and public goods) that distinguishes the ‘European model of city’.

By raising the question of the need of an EU urban agenda we acknowledge that the transition from the ‘current structures’ to the ‘smart structures’ is proving very difficult for many or possibly most European cities. We also acknowledge that the European Union may have a role in supporting the structural transition of European cities.

The European Union has already carefully defined – as previously stressed – what we expect from cities, how to evaluate their long term performances from an economic, ecological and ethical perspective. An EU urban agenda should go beyond what has been already achieved.

If we focus on the economic dimension of the ‘European urban question’, an EU urban agenda should be made up by two components:

1. a framework promoting the construction of encompassing national urban agendas;
2. a framework to support the transition strategies towards ‘smart structures’ of a selected number of European cities.

What should an EU urban agenda be?

A. A framework to promote ‘national urban agendas’

B. A framework to support the transition strategies of a number of ‘selected’ cities
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B. A framework to support the transition strategies of a number of ‘selected’ cities

What the European Union can do to support the adjustment process of cities is yet constrained by the complexity and heterogeneity of the European urban system – and by the resulting huge amount of information and knowledge needed – ex-ante and ex-post – to deal with such a diverse constellation of cities.

For this reason an EU urban agenda should primarily be a framework to promote the construction of national urban agendas. Only at national level the complexity and specificity of the structural transformation of the cities’ economic base can be understood and an effective urban policy framework conceived. Moreover, however effective they may have proved – and however coherent they may be deemed –, Member States display their own specific urban policy framework.

Some Member States have started to monitor the evolution of their urban system, others have already developed – or are in the process of developing – highly articulated urban agendas. Against this background, the most important objective of an EU urban agenda is to mobilise Member States with respect to the key issue of up-grading the economic base of their cities – by stimulating the construction of national urban agendas (based on careful assessments of the state of the cities).
At this stage of the evolution of the European urban system an EU urban agenda should also directly intervene to support the adjustment strategies of cities.

A limited number of cities should be carefully selected – not on the basis of the strategic ability but rather on the basis of an external assessment as to their current critical state and potential development.

The focus ought to be put on those cities whose transition towards a viable economic structure is proving exceptionally difficult for economic, cognitive or political reasons.

These direct interventions may have a paradigmatic significance – and could be the best way to experiment a complete integration of all policy instruments. It is also of highly ethical significance against the background of the ‘European project’.
If the content of an EU urban agenda is that proposed above, its implementation has two dimensions.

Firstly, the European Union should introduce a framework to mobilise Member States and persuade/constrain those that have not yet arranged an urban agenda to do that. The countries that have already arranged a comprehensive urban agenda can here play a key role showing the way.

Secondly, a task quite different from the previous one, the EU should establish a procedure to select a number of cities to support directly in their structural transformations.

4. **Towards an EU Urban Agenda**

How could an urban agenda be implemented?

A. How can the construction of ‘national urban agendas’ be promoted?

B. How can a framework to support the transition strategies of ‘selected’ cities be implemented?
4. TOWARDS AN EU URBAN AGENDA
How could an urban agenda be implemented?

A. How can the construction of ‘national urban agendas’ be promoted?
   - Conditionality / moral suasion
   - Benchmarking national urban agendas
   - An institutional context to compare national experiences in the construction of urban agendas

B. How can a framework to support the transition strategies of ‘selected’ cities be implemented?
   - Selecting a limited number of ‘cities in crises’
   - Benchmarking cities’ development strategies
   - Supporting them in terms of economic resources and knowledge

To persuade Member State to address through a national urban agenda the ‘urban question’ a mix of conditionality and moral suasion seem the most appropriate way.

The key question, with respect to the macro-objectives set in the ‘Europe 2020 Strategy’, though, is the ‘quality’ of national urban agendas, that is, their actual capacity to address the economic and social dimension of the urban challenges. Benchmarking national urban agenda will prove a decisive activity to be performed by the EU.

Relying on relational contexts within which to compare policy experiences is crucial, but there are already many in Europe – and they can be activated with regard to the specific task of moving towards an EU urban agenda.

Selecting the cities to support, benchmarking their strategic planning and supporting their structural adjustments on the economic, cognitive and political level should not prove difficult for the European Commission.

Directly supporting a number of selected cities may prove very effective to legitimize the EU urban agenda.
The ‘urban question’ is so complex and in constant evolution that ‘national urban agendas’ should not be thought of as ‘closed documents’ to revise from time to time.

Rather they should be interpreted as an on-going learning and policy-making process generating a variety of statements, reports, documents, empirical explorations, policy actions-taking place against the background of the European discourse on city.

The five dimensions listed beside, certainly among others, should be taken into consideration in the benchmarking process of national urban agendas, in order to avoid the risk of sterile exercises.

**EU urban agenda**

**Benchmarking national urban agendas**

1. Setting clear priorities in terms of cities
2. Integrating the ‘urban agenda’ into the ‘territorial agenda’
3. Addressing the territorial governance issue
4. Assessing the current state and development potential of cities
5. Acknowledging the long-term nature of structural transition
Whether a consequence of institutional changes or of increased awareness of the factual possibility to steer the evolution of their economies, European cities have been increasingly seen as ‘strategic actors’: intelligent systems devising and implementing ‘adjustment strategies’ and evaluating them on the basis of their own social preference function.

But how intelligent are indeed cities? This is a question rarely addressed yet crucial. There are too many examples of cities that showed no capability to think strategically or to outline effective strategic responses.

Moreover, the question arises whether the ‘social preference function’ of cities is coherent with European and national goals – an issue of overriding importance against the background of the increasing political sovereignty of European cities.

Cities should be both intelligent and loyal to their region, country and to the ‘European project’.
There are cities in Europe that do not need any support: they have the intelligence (of democracy) and command the cognitive and economic resources to accomplish the transformation of their economic base and to address the challenges they may have to face. Some European cities are effectively accomplishing the structural transformations we expect them to accomplish.

There are cities in Europe that do not deserve any support: they command the economic and cognitive resources to adjust their economic base, but the local society does not show any sign of interest in up-grading the economic base and in shaping the overall development trajectories of the city according to the European model of city and territory.

There are cities in Europe that we should definitely support: they might not command the economic and cognitive resources to face the threats and challenges of this time; they might be impeded by a political elite that does not serve the welfare of the community. An urban agenda coherent with the 'European project' should focus primarily on them, should help them to reconstruct a viable economic, social and political structure.
Background papers for this presentation:

Antonio Calafati, ‘Cities in the European Project’, 2014
Antonio Calafati, ‘Cities’ Political Sovereignty and the EU’s Territorial Agenda’, 2014

Summary and download